
Changing the Game:

Aligning Your People's Behaviors with
Your Organization's Objectives

by Kaye M. Shackford

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Changing the Game:

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Many of you have come to Toulouse to increase the chances that your global supply chains, partnerships and alliances will work, especially since 30-60% of such alliances fail.

The best piece of advice I can give to help you succeed is this:

Align your people's negotiating behaviors with your organization's strategic objectives.

You may not be aware that your people's current negotiating behaviors are *not* aligned with your objectives. In most cases, they're actually working at cross-purposes to those objectives.

So I want to demonstrate this to you, show you what may be a better way and briefly explain how you can move toward that better way.

I've got ten minutes to share what took me thirty years to understand, design and confirm, so if you want to learn more, please talk with me further. Even better, ask for a panel on the human side of transformational change at the 2006 World Aerospace Symposium.

I want to take you through a small exercise on business environments, strategic objectives and behaviors. I'll show you how to do it here and then invite you to try it back at work. We start with two concepts.

1. Here's the first. *The purpose of our behaviors is to achieve our objectives in a particular environment.* We do things to get what we want and need for ourselves and for those we represent.
2. And here's the second. *Negotiation underlies most of our behaviors at work.* Whenever we're seeking to solve problems, realize opportunities and craft agreements with others in what's called a "mixed motive" environment, we're negotiating.

And an observation: *Sometimes our environments and our objectives change so much the very behaviors that were the basis for our success are now working at cross-purposes with our own intentions.*

I suggest to you that now is such a time.

When we realize that negotiation underlies our behaviors, the findings of the Harvard Project on Negotiation can be used to identify the pattern of those behaviors. We can then place them side-by-side with our objectives and ask a simple question: *Can we achieve our objectives using these behaviors?*

Here are sample strategic objectives from aerospace supply chain organizations:

- Establish and maintain long term, mutually advantageous relationships.
- Enlist our suppliers and supplier networks with us to create and maintain a more seamless flow of material.
- Build a common infrastructure with the ability to communicate with each other.
- Streamline worldwide operations to work in concert with each other.
- Craft common ways of doing business across multiple cultures and continents.
- Streamline infrastructure to contain the cost of materials over time.
- Link suppliers with customers in profitable alliances.

Now let's add our behaviors. The Harvard Project calls our current model *Positional Negotiation*. I take a position more extreme than I'm willing to settle for and so do you. Then through a series of tactics, measures and countermeasures, we ratchet in toward the middle.

In one version of this model – *Hard* Positional Negotiation – the premise is that the pie is fixed, negotiation is about claiming value, and my job is to get more than you. They identified these elements:

- Participants are adversaries.
- The goal is winning.
- Demand concessions to continue the relationship.
- Be hard on the people and the problem.
- Distrust others.

- Dig in to our position.
- Make threats.
- Mislead as to our bottom line.
- Demand one-sided gains.
- Search for the single answer - the one we can accept.
- Insist on our position.
- Apply pressure.

Some of us play a “nicer” version of the game. It’s called *Soft* Positional Negotiation.

- Behave as if we’re friends.
- The goal is agreement.
- Make concessions to improve the friendship.
- Be soft on both the people and the problem.
- Trust others, hoping that reciprocity will cause them to be trustworthy.
- Change position easily.
- Make offers.
- Disclose our bottom line.
- Accept one-sided losses.
- Seek the single answer - the one they’ll accept.
- Readily yield to pressure.

Positional Negotiation	
Soft Positional	Hard Positional
<ul style="list-style-type: none"> ➢ Participants are friends. ➢ The goal is agreement. ➢ Make concessions to cultivate the relationship. ➢ Be soft on the people & the problem. ➢ Trust others. ➢ Change your position easily. ➢ Make offers. ➢ Disclose your bottom line. ➢ Accept one-sided losses. ➢ Search for a single answer - theirs. ➢ Insist on agreement. ➢ Yield to pressure. 	<ul style="list-style-type: none"> ➢ Participants are adversaries. ➢ The goal is winning. ➢ Demand concessions to maintain the relationship. ➢ Be hard on the people & the problem. ➢ Distrust others. ➢ Dig in to your position. ➢ Make threats. ➢ Mislead as to your bottom line. ➢ Demand one-sided gains. ➢ Search for a single answer - yours. ➢ Insist on <i>your</i> position. ➢ Apply pressure.

Game theory says a hard game dominates a soft one. Given the choice of being the “beater” or the “beatee,” most of us in aerospace play the Hard Positional game. We didn’t invent it. But we’re very good at it.

Now, back to our core concepts: The purpose of our behaviors is to achieve our objectives...

Does this compute?	
Behaviors	Objectives
<ul style="list-style-type: none"> ➢ Participants are adversaries. ➢ The goal is winning. ➢ Demand concessions to maintain the relationship. ➢ Be hard on the people & the problem. ➢ Distrust others. ➢ Dig in to your position. ➢ Make threats. ➢ Mislead as to your bottom line. ➢ Demand one-sided gains. ➢ Search for a single answer - yours. ➢ Insist on <i>your</i> position. ➢ Apply pressure. 	<ul style="list-style-type: none"> ➢ Establish & maintain long term, mutually advantageous relationships. ➢ Enlist our suppliers and supplier networks with us to create & maintain a more seamless flow of material. ➢ Build a common infrastructure with the ability to communicate with each other. ➢ Streamline worldwide operations to work in concert with each other. ➢ Craft common ways of doing business across multiple cultures & continents. ➢ Link suppliers with customers in profitable alliances.

If this strikes you as seriously dysfunctional, I agree. It’s like trying to get from Toulouse to Paris by way of South Africa.

I invite you to do this experiment using your own organization’s objectives. On the back page of this reprint is a sheet that looks like this:

My Organization’s Strategic Objectives	
Behaviors	Objectives
➢ Participants are adversaries.	➢ _____
➢ The goal is winning.	➢ _____
➢ Demand concessions to maintain the relationship.	➢ _____
➢ Be hard on the people & the problem.	➢ _____
➢ Distrust others.	➢ _____
➢ Dig in to your position.	➢ _____
➢ Make threats.	➢ _____
➢ Mislead as to your bottom line.	➢ _____
➢ Demand one-sided gains.	➢ _____
➢ Search for a single answer - yours.	➢ _____
➢ Insist on your position.	➢ _____
➢ Apply pressure.	➢ _____

I hope your next question might be, “*Is there a better way?*”

That same project at Harvard suggests that the pie is not fixed and negotiation is really not about beating the other guy.

Rather, it’s about solving problems, realizing opportunities and shaping solutions to satisfy your constituents’ interests and needs, and your counterparts’ interests and needs, better than any alternative reasonably available to you or them, and doing so in such a way that you and your counterparts look forward to solving problems and shaping solutions together again.

Their researchers laid out the old options against these criteria. Soft positional or hard positional negotiation – which game should you play?

Neither, they said. Change the game. In interest-based negotiation:

- Participants are problem-solvers.
- The goal is a wise outcome reached efficiently and amicably.
- Separate the people from the problem.
- Be hard on the problem, unconditionally constructive with the people.
- Be wholly trustworthy.
- Get below positions to the motivating interests.
- Avoid having a bottom line.
- Multiply options for mutual gain.
- Insist on objective criteria.
- Reason and be open to reason.
- Yield to principle, not to pressure.

Here are those supply chain objectives...and these behaviors...

How About This Instead?

Behaviors

- Participants are problem solvers.
- The goal is a wise outcome reached amicably and efficiently.
- Separate the people from the problem.
- Be hard on the problem, unconditionally constructive with the people.
- Be wholly trustworthy.
- Get below positions to the motivating interests.
- Avoid having a bottom line.
- Multiply options for mutual gain.
- Insist on objective criteria.
- Reason and be open to reason.
- Yield to principle, not to pressure.

Objectives

- Establish & maintain long term, mutually advantageous relationships.
- Enlist our suppliers and supplier networks with us to create & maintain a more seamless flow of material.
- Build a common infrastructure with the ability to communicate with each other.
- Streamline worldwide operations to work in concert with each other.
- Craft common ways of doing business across multiple cultures & continents.
- Link suppliers with customers in profitable alliances.

Some of you will question whether your people really do use hard positional behaviors. We certainly *talk* enough about collaborating with customers, suppliers, employees and partners. Sixteen years of helping thousands of your colleagues make this mind change – from entry level buyers to corporate presidents – leaves me convinced that Positional Negotiation is indeed our current model, even though almost everyone knows that what we're doing is nuts.

But should you ask the next question – “*How do we build these skills in our people so we're more likely to achieve our objectives?*” – skills training can't do it. Skills training can improve behaviors within an existing model. But when the model itself is no longer sufficient, skills training won't change people's behaviors. We learn the skills but they don't last; the old model pulls us back into familiar patterns.

Changing the invisible model that drives our assumptions and behaviors seems to require highly experiential, immersion education to the paradigm-shift level. Years after attending our workshops, graduates continue to create value with their counterparts and craft far better solutions for their constituents. So we know it can be done.

But if you decide your company and your networks need to make this change, hundreds or thousands of people will need to be trained. It seems overwhelming, and our minds tend to reject it as unrealistic.

I think there are two choices. Train our people and change our model and succeed. Or try very hard on awesome efforts like the A380, 787 and Joint Strike Fighter (efforts that require levels of systems integration and supplier collaboration on a scale never attempted before), try very hard...and fall short.

So how can this paradigm-shift training be made widely available? Inside your own organizations and in your networks, it can if you decide to give it the same attention you're giving to Lean/Six Sigma. And there are parallels.

If Lean/Six Sigma lets you streamline and integrate your *operations* processes, interest-

based negotiation lets you streamline and integrate your *communications* and joint *decision-making* processes. Both are critical to your success. And neither can be achieved just through managerial pronouncements, good intentions or trying.

Again, if you want to learn more, please ask for a panel on the human side of transformational change at next year's symposium.

Here are the kinds of stories panel members could tell you:

An airline maintenance manager could tell you how they reduced the turn time on the JT8D200 series of engines from 81 days to 34 days by learning to be hard on the opportunity, the problem and the data, and unconditionally constructive with the people.

A UTC purchasing manager could tell you how they regressed a five year, \$200 million contract 4-5% a year with a big-spend, sole-source supplier. Counterparts from both companies focused on both sides' interests and needs, using divergent thinking to identify substantive, procedural and contractual elements that were better for one without being worse for the other.

And the account manager from a major aircraft company could tell you how a Japanese airline swept them up into negotiating an industry-leading global inventory management agreement using what the Japanese call the spirit of “*Wa*,” in which every issue was raised in the context of “*We have a problem; let us solve it together.*”

For now, catch me and we'll talk further.
Thank you for your attention.

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